



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

August 9, 2010

Secretary Ray LaHood
U. S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Secretary LaHood:

The purpose of this letter is to provide an update on developments since our February 21, 2010 discussion regarding the Honolulu rail transit project. At that time I expressed the State's concerns regarding the financial viability of the project.

As indicated in our meeting and the letter I sent to you on February 26, 2010 (enclosed), the State will be working with an independent financial consultant that has expertise in rail projects. The consultants are conducting a thorough review and analysis of the Honolulu high-capacity transit corridor project financial plan, similar to the analysis being undertaken by your Department.

The State is completing contract arrangements with the Infrastructure Management Group, Inc (IMG)--CB Richard Ellis (CBRE) who will serve as the State's designated financial consultant. As previously discussed, the State of Hawaii will be sharing the results of our financial and project analysis with your Department. To assist our consultant in this endeavor, we would appreciate your agency providing to IMG-CBRE financial data, economic assumptions, and information available to the Federal Transit Administration (FTA).

A member of the IMG-CBRE team will be contacting FTA Administrator Peter Rogoff within the next few weeks to confirm the protocols for the sharing of the economic models, data, and assumptions used. Questions can also be addressed to:

Mr. Brennon Morioka, Director
State of Hawaii Department of Transportation
869 Punchbowl Street
Honolulu, Hawaii 96813
Or
(808) 587-2150
Brennon.Morioka@hawaii.gov.

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Additionally, according to our records Ms. Katherine Kealoha, Director of our State Office of Environmental Quality Control sent letters to the DOT Region 9 office on January 15 and February 18, 2010 requesting information to assist us in the review of the final environmental impact statement for the Honolulu rail project. We would appreciate it if the Department could confirm receipt of these communications and when a reply might be anticipated.

Finally, I would like to thank you for the selection of Hawaiian Airlines as one of the four airlines awarded international air service slots at Haneda Airport, Tokyo, Japan. The USDOT support in awarding the new route to our locally-based airline is greatly appreciated.

Sincerely,



LINDA LINGLE

Peter Rogoff, Administrator
Federal Transit Administration
Brennon Morioka, Director
State of Hawaii Department of Transportation

Enclosure